Vote No. 412

September 12, 1995, 3:45 p.m. Page S-13341 Temp. Record

WELFARE REFORM BILL/Food Stamp Block Grant

SUBJECT:

Family Self-Sufficiency Act of 1995 . . . H.R. 4. Ashcroft amendment No. 2562 to the Dole modified perfecting amendment No. 2280 to the committee substitute amendment.

ACTION: AMENDMENT REJECTED, 36-64

SYNOPSIS: As reported with a committee substitute amendment, H.R. 4, the Family Self-Sufficiency Act of 1995, will overhaul six of the Nation's ten largest welfare programs.

The Dole modified perfecting amendment would strike the provisions of the committee substitute amendment and insert in lieu thereof substitute provisions, entitled "The Work Opportunity Act of 1995."

The Ashcroft amendment would turn the Food Stamp Program into a block grant program. Total funding would rise from \$25.427 billion in fiscal year (FY) 1996 to \$29.994 billion in FY 2000 (this increase would match the Congressional Budget Office's estimate of 5 percent growth in the program if it is not amended). Each State's funding would be based on its percentage of funding it received in FY 1995. States could use surplus funds for other specified purposes in the year in which they were appropriated or in the subsequent year, and could also put any such funds into an account without any time limitation to provide food relief in periods of high unemployment or similar periods of increased need. Participating States would have to require each adult member of any family receiving benefits to work within 2 years of first receiving benefits (whether or not those benefits were received consecutively) or earlier if the States were to determine they were capable of working at an earlier date. Any individual who failed or refused to work would be denied benefits, as would other members of that individual's household. States would be permitted to administer the program through contracts with charitable, religious, or private organizations. States would not be allowed to discriminate against religious contractors, including by making them set up separate organizations to administer contracts, by making them alter their forms of internal governance, or by making them remove religious art, icons, scripture, or other symbols. Food stamp recipients who objected to the religious character of a contractor would be provided equivalent benefits from another source. Funds provided under this program could not be expended for sectarian worship or instruction.

(See other side)

YEAS (36)			NAYS (64)			NOT VOTING (0)	
Republicans Democrats		Republicans			Republicans Democrats		
(36 or 67%) (0 or 0%)		(18 or 33%)			(0)	(0)	
Abraham Ashcroft Bennett Brown Coats Coverdell Craig DeWine Dole Faircloth Frist Gramm Grams Grassley Gregg Hatch Helms Inhofe	Kempthorne Kyl Lott Mack McCain McConnell Murkowski Nickles Packwood Roth Santorum Shelby Simpson Smith Stevens Thomas Thompson Thurmond		Bond Burns Campbell Chafee Cochran Cohen D'Amato Domenici Gorton Hatfield Hutchison Jeffords Kassebaum Lugar Pressler Snowe Specter Warner	Akaka Baucus Biden Bingaman Boxer Bradley Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin Heflin Hollings	Inouye Johnston Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

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Those favoring the amendment contended:

The Ashcroft amendment would turn the Food Stamp Program into a block grant program, thereby bypassing the existing 900 pages of Federal Food Stamp regulations and giving the States the flexibility they need to enact real reforms. The Food Stamp Program is one of the largest welfare programs in America. If we refuse to reform it at the same time as we reform the Aid to Families with Dependent Children (AFDC) program the States will simply engage in cost shifting.

After Medicaid, the largest welfare program in America is the Food Stamp Program. Last year, the program gave food assistance to more than 1 out of every 10 Americans at a cost of nearly \$25 billion. Since becoming a national program in the early 1970s, it has grown at an astounding rate. From the beginning, it has been rife with fraud and abuse. Over the years, Congress has tried several times both to restrain the growth of this program and to cut its rate of waste, fraud, and abuse. The last major reform effort was in 1988, and one does not need particularly strong analytical skills to judge the success of that effort: the program has grown enormously; administrative costs consume 12 percent of all funding; and, according to a 1995 General Accounting Office report, \$2 billion per year in food stamps are used fraudulently. The Federal bureaucrats at the Department of Agriculture have devised 900 pages of regulations for State bureaucrats to follow. With all of these rules and all of these bureaucrats shuffling forms in triplicate, the cost of giving away free food is pretty high, and that cost has not made it difficult to steal from the program.

The solution offered by the Ashcroft amendment is to block grant the program. Our colleagues look at the manifest failure of the Federal Government to control the Food Stamp Program with extensive regulations and conclude that it is a very difficult program to administer. Surely, they reason, if a mammoth Federal bureaucracy is doing such a dismal job, then smaller, less sophisticated State bureaucracies would utterly fail. We disagree. First, we look at experience--when States have been given control of welfare programs, they have been able to improve services and reduce costs. The Federal Government has failed in both regards. Second, we note that having one less set of bureaucrats involved will reduce administrative costs. Third, we realize that block grants give States incentives to enact reforms because they can retain the savings and allocate them to areas of greater need. Under the Food Stamp Program, which is 100-percent federally funded, each State has a strong incentive to maximize the number of its citizens receiving food assistance, because that assistance is paid for by all the taxpayers of America, not just by the taxpayers within the State. Failing to sign people up would result in a net outflow of funds from a State to feed the citizens of other States.

The existence of this perverse incentive system explains why the block granting of the Food Stamp Program should not be optional. If States are permitted to keep the current entitlement system in place, some States may choose to reduce their other welfare costs by increasing the number of people on food stamps. They could simply cut benefits for former AFDC recipients. With their lower incomes, those recipients would then qualify for more food stamps. Instead of getting uniform efforts at reform across the country, some States could thus opt to preserve the welfare state. Those irresponsible States would be supported by all the other States, because the Food Stamp Program is a 100-percent Federal entitlement.

We oppose such a result. How States reform should be up to them, but they should not be allowed to do nothing. Giving States the option of not block granting the Food Stamp Program is equivalent to giving them the option not to reform. The Ashcroft amendment would eliminate that option, so we urge our colleagues to vote for its adoption.

Those opposing the amendment contended:

Senators have accurately described some of the problems with the Food Stamp Program. Those problems are to a certain extent unavoidable. Any complex national program dealing with as many different retail situations as this program does is bound to have a certain amount of fraud and abuse. For decades we have struggled to end the fraud and abuse, with some measure of success. Our colleagues now ask us to throw out 2 decades of experience by turning the program over to the States. Under the Dole amendment, States would have the option of assuming control, but under the Ashcroft amendment they would have to assume control.

The Dole approach is preferable because many States could not adequately run this program. A few very able Governors have stated that they hope to receive block grant funding for food stamps, and we are certain that those Governors would do well, but we know that most Governors have not asked for this authority. Every Governor realizes that under frozen, block grant funding, significant and effective reforms would have to be quickly enacted by a State or its citizens would be at severe risk. Those risks would include that funding would be inadequate due to population growth, natural disasters, or economic downturns. America is a very wealthy nation with a tremendous agricultural capacity. In this country, no one should have to live with such risks.

Our other objections to the Ashcroft amendment are based on its restrictions. The amendment would place a lifetime limit on receiving benefits of 2 years. This restriction is unfair. If someone were on food stamps at a young age and used up 24 months worth of benefits, then that person would be ineligible for benefits 20 years later if the factory that he or she worked at suddenly closed. We find even more unfair the fact that the amendment would apply to everyone, including the elderly and disabled.

Senators need to keep in mind the purpose of the Food Stamp Program, which is to provide food to the elderly, the disabled, the suddenly unemployed, and infants and children. These groups, through no fault of their own, often are unable to feed themselves. We can feed them, or they can go hungry. Certainly reforms can and should be made to get able-bodied individuals who are perfectly capable of working off of food stamps, but in getting rid of such individuals we should take care not to harm the truly needy. The

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Dole amendment would already make numerous reforms to the Food Stamp Program that would result in savings of nearly \$22 billion over 7 years. We think this approach is far preferable to the Ashcroft amendment's approach, which is to simply turn the matter over to the States. We trust our colleagues agree, and will join us in defeating this amendment.